

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST                    )  
ADJUSTMENT FILING OF                    )     CASE NO. 2007-00090  
BRIGHT'S PROPANE SERVICE, INC.    )

O R D E R

On February 15, 1991, in Case No. 1990-00091,<sup>1</sup> the Commission approved rates for Bright's Propane Service, Inc. ("Bright's") and provided for their further adjustment on a quarterly basis in accordance with Bright's gas cost adjustment ("GCA") clause.

On March 2, 2007, Bright's filed its proposed GCA to be effective May 1, 2007.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Bright's notice includes revised rates designed to pass on to its customers its expected change in wholesale propane costs.
2. Bright's notice sets out an Average Gas Cost component ("AGC") of 2.950 cents per cubic foot. Bright's incorrectly calculated its ending inventory for November 2006. Correcting for this produces an AGC of 2.945 cents per cubic foot, which is a decrease of .256 cents per cubic foot from the previous AGC of 3.201.
3. Bright's notice sets out a current quarter actual adjustment ("AA") of (.11511) cent per cubic foot. Bright's used an incorrect expected gas cost in its calculation.<sup>2</sup> Correcting for this produces a current quarter AA of (.12051) cent per cubic foot. Bright's

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<sup>1</sup> Case No. 1990-00091, Jurisdictional Status of Bright's Propane Service, Inc.'s Propane Distribution System, Order dated February 15, 1991.

<sup>2</sup> The expected gas cost should be \$32.01 rather than \$32.10.

total AA is (.22651) cent per cubic foot, which is a decrease of .0535 cent per cubic foot from the previous total AA.

4. Bright's notice sets out no balancing adjustment.

5. Bright's notice sets out 1.5 cents per cubic foot to recover overhead operating costs as approved in its tariff.

6. Bright's gas cost adjustment ("GCA") is 4.21849 cents per cubic foot, which is a decrease of .45451 cent per cubic foot from the previous rate of 4.673.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Bright's on and after May 1, 2007.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Bright's are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are approved for final meter readings on and after May 1, 2007.

3. Within 20 days of the date of this Order, Bright's shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20<sup>th</sup> day of April, 2007.

By the Commission

ATTEST:



Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00090 DATED APRIL 20, 2007

The following rates and charges are prescribed for the customers in the area served by Bright's Propane Service, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### RATES: Monthly

All Propane	\$ .0421849 per cubic foot
Minimum Bill (First 400 Cubic feet or less)	\$ 16.87